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The General Assembly concluded business this session two days ahead of the official deadline. I am happy to report that we were successful in providing funding for education and job creation, two of our highest priorities. I am also pleased that we produced a budget without raising taxes. The highlights of HEA 1001, the 2003-05 budget bill, are certainly the bold economic development package and the funding increases for public schools and our state universities. However, I am concerned about the lack of new funding in the budget for Indiana's Medicaid program.

This was a most difficult budget to put together, and because of the projected \$800 million deficit, this budget borrows from some state funds and makes significant cuts in others. State governments across the nation are facing the worst fiscal crisis since World War II. Due to this crisis, nearly half of the fifty states have implemented or are considering mass teacher layoffs, increased class sizes, shorter school years, and four-day school weeks.

Here in Indiana, the new budget provides more than \$495 million for our schools, representing a statewide average increase in regular funding of 1.6% in 2004 and 1.7% for 2005. Including the new state remediation grant and transfers of state pension and local capital projects fund dollars, these increases are 3.3% and 2.9% respectively. However, these modest increases were funded in part by flat lining Corrections and Medicaid funding.

It is the potential shortfall Medicaid funding that causes me great concern. By 2005, over 800,000 Hoosiers will depend on this critical safety-net program for health care, and flat lining the appropriation jeopardizes many vital services. Governor O'Bannon already implemented a successful cost containment plan that saved over \$250 million, and this plan will save taxpayers another \$350 million in the current biennium. Although I applaud these efforts, as we need to control our expenses during these difficult economic times, I am disappointed that the budget does this at the expense of those served by Medicaid.

It will take drastic reductions in payments to health care providers (most of whom are already under-compensated by Medicaid rates), further restrictions on eligibility, or cuts in optional programs like prescription drugs to meet the spending levels called for in HEA 1001. I think such measures will go too far and turn back the progress we've made in health care coverage for our neediest citizens. Given that this program is an entitlement and the state must pay for services rendered, we may be forced to address budgetary matters again next session.

Please feel free to contact me if I can provide assistance with issues pertaining to state government. I hope you and your family have a safe and enjoyable summer!

Samuel Smith Jr.

**REPRESENTING SENATE DISTRICT 2
INCLUDING EAST CHICAGO, CALUMET TOWNSHIP AND PORTIONS OF
GARY, GRIFFITH, HIGHLAND, HAMMOND AND MERRILLVILLE**

Looking to the future with economic development legislation

Several key economic development measures passed this legislative session. Spearheaded by Governor O'Bannon's Energize Indiana plan, Democratic and Republican caucuses worked together to improve the original plan and assembled the final package approved by the General Assembly. Many noteworthy programs and economic development tools will soon be implemented.

Long-term and comprehensive economic development plans are included in the plan to move Indiana on the path to prosperity. Funding the 21st Century Fund and certified technology parks, extending the research and development tax credit, and implementing new tax credits for investment, biodiesel and ethanol production will encourage new jobs and investment in the high-tech sector. All jobs are high-tech in today's world, and these programs reflect this reality. From biomedical research to the local corner store owner selling Hoosier goods across the globe via the



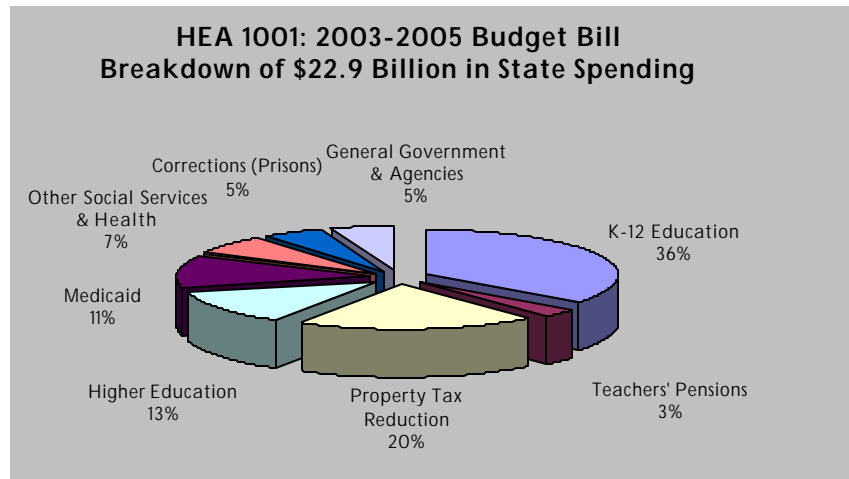
Senator Smith co-sponsored legislation promoting development at the Gary airport.

internet, Indiana needs to encourage the continuous integration of technology into all business sectors. Another key to economic revitalization is the immediate creation of jobs. Traditional infrastructure improvements and construction projects included in the biennial budget support long-term Indiana business needs while creating jobs that can be realized today. For example, the budget authorizes the construc-

tion of university research facilities and community college buildings, serving the joint purpose of creating new jobs now and improving the facilities of Indiana's

colleges and universities for the education and training of Hoosier workers.

While building for the future progress of Indiana, it is important to recognize that many Hoosier workers are looking for immediate relief. To help unemployed Hoosiers now, the General Assembly



allocated federal dollars to provide skill assessment tests for Hoosier workers, increase unemployment benefits, fund local WorkOne offices, and modernize the state unemployment system to ensure that unemployment assistance reaches Hoosiers faster. Improving these services will help keep the unemployed on their feet and moving towards new opportunities.

Overall, economic development measures passed during the 2003 legislative session will go a long way to move Indiana's economy into the 21st Century while helping Hoosiers affected by the soft economy to find jobs and support their families.

Is the state holding your unclaimed property?

According to state law, any property left unclaimed by the rightful owner is turned over to the State Attorney General's office. Everything from bonds and unpaid wages to estate proceeds have been turned over to the state. Check with the Attorney General's Unclaimed Property Division to see if you have property owed to you:

- ? Search the database at www.indianaunclaimed.com
- ? Call the Unclaimed Property Division at 1-866-IN-CLAIM

Smith initiatives become law

I am pleased to report that many of the bills I authored or sponsored were approved during the 2003 General Assembly and have become law. A few of these initiatives include:

✍️ **SEA 176** will permit a person to own up to a 100% interest in not more than two riverboats.

✍️ **SEA 211** provides that if a death occurs in one Indiana county as a result of an incident that occurred in another Indiana county, and if an autopsy is performed in the county in which the death occurred, the coroner of the county in which the death occurred is required to bill the county in which the incident causing death occurred to recover the cost of the autopsy.

✍️ **HEA 1135** provides that if an accident and sickness insurance policy or a contract with a health maintenance organization provides certain substance abuse and chemical dependency coverage, the insurer or health maintenance organization must offer to provide the coverage without treatment limitations or financial requirements in certain circumstances.

✍️ **HEA 1282** makes it a Class B infraction for a person to cover or tint a motor vehicle window in a manner that the occupants cannot be easily identified or recognized from outside the vehicle. Medical exceptions are included in this new law.

✍️ **HEA 1731** makes it a Class A misdemeanor to knowingly or intentionally install any object in place of an air bag in a motor vehicle. The new law also makes it a Class D felony to knowingly or intentionally sell, lease, trade or transfer a motor vehicle that has been installed with any object in place of an air bag.

✍️ **HEA 1022** establishes a special fund for and repeals the expiration date of the Commission on the Social Status of Black Males.

✍️ **HEA 1730** establishes the Executive Commission on Hispanic/Latino Affairs.

Additionally, I worked to defeat efforts to eliminate mandated auto emission test fees of \$37 in Lake and Porter counties, and to prevent the reduction of riverboat casino revenues for host communities.



Senator Smith listens to testimony provided during a conference committee hearing.

Groundbreaking long-term care legislation gives patients new options for independence

Legislators this year approved groundbreaking legislation which will dramatically change the way tax dollars are spent on services for elderly and disabled Hoosiers. Senate Enrolled Act (SEA) 493 is designed to give individuals a range of services to choose from to best meet their changing needs.

This progressive legislation is expected to produce significant financial savings for Hoosier taxpayers because resources will be used more wisely. This is done through encouraging the use of alternatives to nursing homes, such as home-based services and assisted living facilities, which are typically less costly and allow for more patient independence.

The bill also contains provisions to support family care givers, many of whom care for their loved ones at

home. All too often, care givers experience “burnout,” prompting them to place their loved ones in a nursing home or some other institutional setting. SEA 493 establishes an assistance program to provide training, counseling, and support to family members who care for a loved one.

Ultimately, this legislation should save taxpayer dollars by enabling more Hoosiers to receive care in their homes instead of more expensive settings, such as nursing homes. Next to the budget, I believe that this is the most important bill approved this session.

The design of the legislation was a collaborative effort by legislators, home health care agencies, senior citizen groups, Indiana’s area agencies on aging (AAAs), and the nursing home industry.

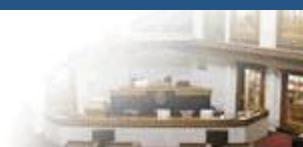


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WANT TO KNOW MORE? VISIT WWW.IN.GOV/S2

Senate District 2 Online

Visit my website at www.IN.gov/s2 for information about my participation in the State Senate and in our community. Available on the website are news releases about legislation that I supported and other important issues. You'll also find photographs and remarks that you can listen to about various legislative issues.

2003 Legislative Actions

If you are interested in a particular piece of legislation from the 2003 General Assembly, you can download the bill and bill status history at www.IN.gov/legislative.

State Government

You can also access other state government agencies on line from www.IN.gov.